

# Washington Merry-go-round

F Post 9/14/77

By Jack Anderson & Les Whitten

WASHINGTON — In earlier columns, we reported that some influential Mississippi politicians maneuvered behind the scenes to quash an investigation of a vice squad officer after he warned privately: "If I go down, I'm not going down alone."

The threat came from Lt. John Moulder, the former head of the Jackson, Miss., vice squad, after the FBI began investigating charges that he coerced a young woman to submit to his sexual demands.

Like the Watergate case, this attempt to cover up a minor, if sordid, offense may develop into a major scandal. We have learned, for example, that Moulder has been closely linked with Jackson's powerful and popular District Attorney Ed Peters.

An undercover agent for the state's organized crime task force has accused both Moulder and Peters of negotiating to take payoffs to protect prostitution. When we confronted Peters with the charge, he vigorously denied it and offered to take a lie detector test. We agreed to give him the test.

At first, he backed out of the offer but finally took the test from his own hand-picked polygraph operator. But he agreed to allow an independent operator to monitor the testing. Both experts reported back to us that Peters failed the lie detector test. Here are the details:

The task force hired 330-pound Manfred Baron, alias the Fat Man, four years ago to infiltrate the Dixie Mafia. This is a loose association of criminals who hijack trucks, fence stolen goods, procure prostitutes and engage in other illegal pursuits.

Baron started out on the wrong side of the law and wound up with a prison record for various crimes. But he has been using his knowledge of the underworld for the past 15 years to help lawmen catch and convict top criminals. A police officer, who has worked intimately with Baron for years, told us his secret reports have always been completely accurate.

In his reports to the task force, he related that he had posed as an out-of-state gangster seeking political protection for a stable of prostitutes. He was directed to a Jackson paving contractor named Leo Hall, who has been convicted of two felonies.

Baron's secret reports quote Hall as telling him that protection money should be paid to District Attorney Peters.

Baron eventually was introduced to Lt. Moulder who was identified as the district attorney's personal representative.

Police officers staked out Baron's meeting with Hall and Moulder. The undercover agent also made a secret tape recording of his conversations with Hall.

With this evidence to back up his story, Baron reported to the task force that Hall and Moulder demanded a \$600 weekly payoff for the protection of 10 prostitutes. The protection money would be shared, they said, with Peters.

All three denied Baron's account when we confronted them. The district attorney was the most emphatic, and offered to take a lie detector test.

But we could find no competent Mississippi polygraph operator who would touch the case. The head of the Mississippi State Polygraph Assn., Sam Ivey, warned us that an out-of-state operator might risk arrest if he administered the test without a Mississippi

license. Ivey is a friend, we learned, of the district attorney.

Finally, we agreed to let Peters' hand-picked polygraph man administer the test, and he agreed to let an independent expert monitor it. We also agreed not to print the allegations against Peters if the tests showed he was telling the truth.

The respected Franklin Security Systems of Norfolk, Va., sent an expert to oversee the test. We were also represented by Dennis Smith, the Peabody Award winning investigative reporter for WLBT-TV in Jackson, who has worked with our reporters on the story.

Peters was asked by the polygraph operator: "In 1974, did you send Lieutenant Moulder to meet with Leo Hall to set up protection for prostitution in Jackson or in Hinds County?" Peters said he did not, but the machine showed he was lying.

On the second examination, the question was reworded: "Did you tell John Moulder to go meet with Leo Hall for the purpose of setting up protection of prostitutes in Jackson or in Hinds County?" Again Peters denied it, and again the machine showed he was not telling the truth.

Both Franklin's operator, David Oller, and Peters' polygrapher, David Bethea, agreed upon the readings. Oller

told us the polygraph is 96 to 97 per cent accurate.

Peters, nevertheless, continued to insist he is innocent of any wrongdoing. The sex charge against Moulder has been dropped, meanwhile, after Sen. James Eastland, D-Miss., complained to the Justice Dept. about the FBI investigation. There is no reason to believe Eastland had any direct knowledge of the case. He intervened, apparently, at the request of political friends in Mississippi.

Moulder was dropped from the vice squad but remains on duty with the police force. He has been assigned, interestingly, as the liaison officer between the Jackson police and District Attorney Peters.

Footnote: Peters was indicted two years ago by the Hinds County grand jury on extortion charges. A jury found him innocent. The case, however, didn't involve the charges we have now uncovered.

**WASHINGTON WHIRL:** Last year, we reported that Eric Fygi had destroyed some Federal Energy Administration documents sought by Congress. The documents had been demanded by Rep. John Dingell, D-Mich., as part of a congressional investigation. Now the same Fygi, despite his Watergatissh ways, is reported to be in line for a key post in the new Energy Dept. He refused to comment.

— We were the first to report on Korean influence peddler Tongsun Park's "political lobbying" back in April, 1974. We linked him with Rep. Richard Hanna, D-Calif., who is now a target of the Justice Dept.'s Korean investigation. We quoted Park as saying in 1974 that Hanna "is like my brother."

— Congressmen aren't supposed to produce and distribute campaign material at the taxpayers' expense. They are permitted, however, to mail newsletters to their constituents. To assure that the newsletters don't become campaign documents, the Congressional Mailing Standards Commission has suggested that a congressman's name shouldn't appear in the newsletter more than eight times per page. Rep. William Clay, D-Mo., has sent a newslet-

ter, loaded with self promotion, to 144,000 folks back home. On one page, Clay names himself 14 times. The commission, nevertheless, approved the newsletter. A spokesman said, Clay's newsletter was "sensitive" but didn't quite violate the guidelines.

— Vernon Jordan, the black leader who has been critical lately of President Carter, told us he was offered a cabinet-level position by the president last December. He turned down the offer, he said, because his work with the National Urban League "was not finished."

**GUNS FOR HONDURAS** — The tiny Central American republic of Honduras may be trying to tell its neighbors something. The government has just purchased 100 Browning machine guns in the United States at \$4,687 each. The Hondurans added urgently that they wanted 30 of the machine guns in 240 days or less.

The transaction was kept quiet. At the Honduran embassy in Washington, a spokesman told us that Hondurans just wants "to be on the alert." Eight years ago, Honduras and El Salvador had a mini-war. As yet, the two nations haven't signed a peace treaty.